

August 20, 2020

Joint Legislative Committee on Local Government
Co-Chairs Sen. McInnis and Rep. Warren
Legislative Building
16 West Jones St.
Raleigh, NC 27601

Fiscal Research Division
Attention: Director
North Carolina General Assembly
300 North Salisbury St., Suite 610
Raleigh, NC 27603

**Notice to the Joint Legislative Committee on Local Government
Concerning Proposed Financing by Eastover Sanitary District**

To the Committee:

As counsel to Eastover Sanitary District (which lies within Cumberland County) and as required under N.C. Gen. Stat. Section 120-157.2, I am providing this notice of a proposed local government capital project that requires approval of the North Carolina Local Government Commission and requires debt to be issued in an amount exceeding \$1,000,000. Here is information about the proposed financing –

Project description	Construction of a new administrative building
LGC meeting for consideration	October 2020
Amount to be financed	Estimated as up to approximately \$1,400,000
Type of financing	USDA revenue bond, with private construction financing through bond anticipation notes

Sanford Holshouser LLP

August 20, 2020

page 2

	cash on hand and will also supply the site.
Estimated financing term	The District expects long-term financing from USDA with a term of approximately 40 years, which essentially approximates the expected useful life of the property being financed.
Estimated interest rate	USDA has committed to a permanent financing annual rate not to exceed 1.875%.
Expected source of repayment	Water and sewer system revenues

Please let me know if you have additional questions or comments for me about this proposed financing.

Very truly yours,



Robert M. Jessup Jr.

cc: Greg C. Gaskins, Secretary of the Local Government Commission
c/o Phillip Anderson
Eastover Sanitary District officials
Karen Jenkins, legislative staff (Karen.jenkins@ncleg.gov)
(each by electronic mail)
Also to reports@ncleg.net